

The End Stage Renal Disease (ESRD) Disease Management Demonstration will increase the opportunity for Medicare beneficiaries with ESRD to join integrated care management systems. The demonstration is designed to test the effectiveness of disease management models to increase quality of care for ESRD patients while ensuring that this care is provided more effectively and efficiently.

Goals & Objectives

Developed under the authority to engage in payment-related experiments and demonstration projects (see Section 402 (a) of Public Law 90-248, 42 USC 1395b-1(a)), the ESRD Disease Management Demonstration seeks to:

- Test payment and delivery models to care for patients in a more efficient and coordinated manner,
- Allow development of a fee-for-service model with bundled payment, and
- Improve quality of care to ESRD patients by using quality indicators for determining payment.

Overview

The ESRD Disease Management Demonstration allows organizations serving ESRD patients to receive a capitation payment in order to test the effectiveness of disease management models in increasing quality of care and containing costs. Another option is a fee-for-service model, by which the organization providing disease management services will coordinate the health care of beneficiaries.

Eligible organizations include companies experienced with providing services to ESRD patients, including dialysis providers, disease management organizations, M+C plans, and integrated health systems. The demonstration will last for four years.

Organizations participating under capitation arrangements would be responsible for all Medicare covered services for participating beneficiaries. Under the fee-for-service model, organizations will provide an expanded bundle of dialysis services, which includes items additional to those under the Medicare composite rate of payment for outpatient dialysis. Organizations are responsible for working with providers and patients to coordinate their medical needs. All services other than those under the bundled payment will be reimbursed on a fee-for-service basis.

Under both the capitation and fee-for-service models, demonstration organizations will be at risk, with the incentive to provide cost-effective services. Under the capitation model, organizations will receive a risk-adjusted ESRD payment rate currently being developed for the demonstration, and they may propose risk-sharing. Under the fee-for-service model, organizations will be partially at risk for all services to patients receiving disease management.

Applicants may propose cost-sharing with beneficiaries. The levels should be set so that the demonstration is attractive to beneficiaries. To the extent possible, participating organizations will be able to bill any supplemental insurance that the beneficiary still holds for cost sharing.

The demonstration payment method also includes an incentive payment scheme for quality. The demonstration will set aside a 5 percent incentive payment for quality. The project will use five indicators profiled in the CMS ESRD Clinical Performance Measures (CPM) Project, developed based on industry clinical practice guidelines. Capitation payments will be set at 95 percent of the M+C rate, and payments for the fee-for-service option will be set at 95 percent of the add-on payments for the expanded bundle.

Demonstration Materials

The web site includes various documents describing the demonstration including the Federal Register notice announcing the demonstration. Currently, the following materials are available at downloads area below for the July 14 Informational Meeting: (Agenda, Application Process Guidelines, Slide Presentation, Informational Meeting Responses, Federal Register, and Medicare Waiver Demonstration Application).

Contact Information

Questions may be sent to: (see downloads area for more information: Contact Information)